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SUBJECT: DPM ZOBAIE DISCUSSES SERVICES, BUDGET EXECUTION

WITH DEPUTY SECRETARY

Classified By: Ambassador Ryan C. Crocker for reasons 1.4 (b) and (d).

Summary

- 11. (C) During a meeting with the Deputy Secretary, Deputy Prime Minister (DPM) and chairman of the Baghdad Security Plan's services subcommittee, Salam Zobaie (Sunni, Iraqi People's Conference) described security as the best service the Iraqi Government (GOI) can provide. He criticized budget execution, attributing problems to cumbersome requirements and administrative corruption. He warned against the sectarian nature of the Iraqi Security Forces (ISF) and wondered whether the GOI is missing an opportunity by not supporting Sunni tribes fighting al-Qaida. Finally, Zobaie opined that the GOI's lack of coordination stems from a Kurdish desire for a sovereign state, a Shia desire to preserve gains made since 2003, and a Sunni desire to recover powers lost since Iraq's liberation and warned that if religion dogma dominates political institutions, then all Iraqis will suffer.
- 12. (SBU) The meeting took place on June 12 at the Deputy Prime Minister's office. U.S. participants included the Deputy Secretary, Ambassador Crocker, and S/I Satterfield. Iraqi participants included DPM Salam Zobaie, office director Omar al-Nuyami, and political advisor Dhia al-Zobaie.

DPM Calls for Improved Services, Better Budget Execution

13. (C) In response to the Deputy Secretary's question on services, the DPM responded that "services are tied to security," and it is not possible to separate them. For example, he said, terrorists frequently destroy critical infrastructure, further impeding the GOI's ability to provide essential services. Security is the best service the GOI can provide, Zobaie concluded. The DPM told the Deputy Secretary that budget execution remains a sizeable challenge the GOI faces, noting complications and obstacles to spending money. Foremost among these are administrative corruption and complicated criteria for budget execution, according to Zobaie.

GOI Must Cooperate to Improve Security, Make Progress

14. (C) Agreeing with the Deputy Secretary on the GOI's need to focus on national reconciliation through progress on key benchmarks, the DPM said that current debate in the United States Congress and in the media is a "strong challenge to the GOI." There will be no real peace or security, Zobaie noted, unless all of Iraq's leaders work together. For example, he said, the GOI should support Sunni tribes who are

fighting against al-Qaida. Instead, the DPM lamented, the GOI is missing this opportunity. Furthermore, he noted, the Iraqi Security Forces (ISF) do not target (Shia) militias, making Sunnis sympathetic to others who will fight against the (Shia) militias. The DPM emphasized the need for non-sectarian ISF and counter-measures against Iranian influence on the ISF in addition to improved political cooperation.

DPM: Kurds, Shia, and Sunnis Each Motivated by Different Goals

15. (C) The DPM described Iraq's Kurdish, Sunni, and Shia communities as having three distinct goals which dictate how they make decisions and are responsible for the GOI's "immature behavior." The Kurds, Zobaie said, believe Kurdish problems will be resolved with the creation of a Kurdish state; every decision they make is based on whether it advances the goal of Kurdish sovereignty. The Shia, he continued, make decisions based on maintaining gains achieved since Iraq's liberation. Finally, the DPM said, the Sunnis make decisions in the hope they can regain power. Zobaie opined that the GOI and its affiliated institutions should be built on science and rational thought instead of religion. Zobaie warned that "all Iraqis would pay" if religion dominates the political process.

 $\P6.$  (U) This reporting message has been cleared by the Deputy Secretary's staff.

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